

ESG Investment (Sompo Japan Nipponkoa)

Our Approach

As a signatory of the Principles for Responsible Investment (PRI) established by the United Nations Environment Programme Finance Initiative (UNEP FI) and the UN Global Compact, Sompo Japan Nipponkoa Insurance promotes responsible investment that takes the investees' environmental, social, and governance initiatives into consideration, aiming to acquire mid- to long-term returns. We are working to contribute to the realization of a sustainable society by incorporating consideration for environmental issues including climate change and biodiversity, and for human rights, diversity and local communities into our work processes, in keeping with the Group CSR Vision.

- * ESG investment refers to an investment approach that pursues profits while taking non-financial factors, namely environmental, social, and corporate governance issues, into consideration along with conventional financial factors.

Major ESG Investment Initiatives

◆ Investing in social bonds

Social bonds are issued on the assumption that the procured funds will be used to finance projects addressing social issues, including the development of basic infrastructure and the improvement of access to social services. We invest in social bonds to encourage the economic and social development of developing regions, and to contribute to raising environmental awareness and solving social issues from a long-term perspective.

In 2016, we invested in a social bond issued by the Japan International Cooperation Agency (JICA) and since then we have continued to invest in social bonds and green bonds that are issued to finance climate and environmental projects.



Photo: JICA

◆ Investing in renewable energy power generation

We are investing in infrastructure projects that are less influenced by economic fluctuations and are expected to generate stable profits over the long-term, such as roads, airports, power, water supply and sewerage projects as well as renewable energy power generation projects. In fiscal year 2007, in an effort to assist the spread of renewable energy which has a less impact to the environment without fear of depleting resources, we became one of the first companies to sell partnership financing package for individuals to install photovoltaic power generation systems. Since then we have been investing in wind, biomass and other renewable energy power generation.

◆ Initiatives involving Japan's Stewardship Code

As a responsible institutional investor, we have declared our endorsement and acceptance of Japan's Stewardship Code. In addition to investee companies' management strategies and business risks, we also discuss issues from an ESG perspective.

Policy on Japan's Stewardship Code (In Japanese)

<https://www.sjnk.co.jp/company/stewardship/>